

§§69-51-1, passed by the legislature and signed by the Governor during the 2002 regular session, authorized the Commissioner of Agriculture to make incentive payments to Mississippi ethanol producers. Producers may be paid 20 cents per gallon on ethanol produced from grains or biomass that originated on Mississippi farms. This statute places a maximum annual payment of \$6 million to any single producer. \$37 million is the maximum payments that can be made to all producers in a year.

Since the passage of this legislation a feasibility of ethanol production in our state has been completed. The study was conducted by the Sparks Company and paid for by Land Water and Timber and private funds. Mississippi's strengths and weaknesses were investigated and discussed in this study.

Over the past eighteen months a number of interested parties have expressed interest in Mississippi as a site for constructing an ethanol plant. More recently it appears that 2 groups are very serious about constructing 2 or 3 plants in the state.

During the 2003 regular session, the legislature appropriated \$1 million to be available for ethanol producer payments.

On September 30, 2003 the Mississippi Department of Agriculture and Commerce the proposed rules ethanol producer payment program with the Secretary of State.